

Date: February 16, 2016

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

From: Regina Youngblood, Director of Human Resources
Meaghan O'Neal, Wellness Program Manager

Subject: Employer Fitness Tracking Dashboard and Fitness Trackers

Executive Summary

The City of Durham strives to establish an exceptional, diverse, engaged, and healthy workforce. These efforts support the Innovative and High-Performing Organization strategic plan goal. This agenda item recommends the execution of a contract with Fitbit Inc. (Fitbit) to gain access to an employer fitness tracking dashboard and to offer discounted fitness trackers to benefits-eligible employees as a part of the City's new employee wellness program. The purpose of offering discounted fitness trackers to all employees is to engage City employees in their physical fitness and improve the current amount of physical activity through Fitbit-based challenges.

Recommendation

The Human Resources Department recommends that City Council authorize the City Manager to execute a contract between the City of Durham and Fitbit to gain access to an employer fitness tracking dashboard and to offer discounted fitness trackers to benefits-eligible employees in an amount not to exceed \$135,000.00.

Background

There are many fitness trackers available to consumers today. These trackers come in many shapes and sizes that can be worn on your wrist or clipped onto your clothing or purse. Fitness trackers can track steps taken, floors climbed, distance, calories burned, active minutes, workouts, heart rate, GPS location, and how long and how well you sleep. This information is tracked by the device as long as you are wearing it and the battery is charged. Almost all devices are able to sync wirelessly with your computer or smart phone, which uploads the tracked information to your personal profile on the device's website or phone app.

Some fitness trackers are able to do more than track physical activity. These trackers, such as the Fitbit Surge or the Apple Watch, can give you call and text notifications from your smart phone on the go.

The other key aspect of fitness trackers is the online fitness community users can join. This community allows you to connect with other users through the device's online platform.

Through this platform, you can challenge your friends and family with a similar fitness tracker to walk more steps this week, for example. The social aspect of fitness trackers helps encourage users to continue to use their tracker and increase their physical activity.

Some of the fitness tracker vendors are able to provide an employer dashboard, which allows an employer to track use of the fitness trackers by their employees. This is a critical aspect for the City of Durham because it will allow the City to track employee engagement in challenges using the fitness tracker and award additional incentives.

Some of the other benefits of using fitness trackers are listed below.

- Users will learn their true activity level, which is usually lower than they expected.
- Employers and employees can learn more about lifestyle behaviors and how they impact work performance.
- Employers who introduce devices report happier, healthier workplaces and more motivated, engaged, and productive employees.
- The devices can cause a cultural shift to a more wellness-focused environment.
- Programs can create camaraderie, friendly competition, and a more connected workforce.
- The devices can promote clear goal setting, proactive behaviors, and it produces concrete data for the employee and the employer.
- Increased physical activity leads to healthier employees, which can lead to reduced employer costs.
- Most devices are user-friendly in that it is easy to track, sync, and access data.

Issues and Analysis

Since fitness trackers are very popular, there are many vendors providing trackers on the market today. The key information about the top four vendors is included in the table below.

	Fitbit	Jawbone	Garmin	Apple
BBB Rating	<u>A+</u>	<u>C</u>	<u>E</u>	<u>A+</u>
Cost	<ul style="list-style-type: none"> • Zip: \$59.95 • Flex/One: \$99.95 • Alta: \$129.95 • Charge: \$129.95 • Charge HR: \$149.99 • Blaze: \$199.95 • Surge: \$249.95 	<ul style="list-style-type: none"> • UP Move: \$49.99 • UP2: \$99.99 • UP3: \$179.99 • UP4: \$199.99 	<ul style="list-style-type: none"> • Vivofit 2: \$99.99 • Vivosmart HR: \$149.99 • Vivoki: \$199.99 • Vivoactive: \$219.99 	<ul style="list-style-type: none"> • Apple Watch: \$349+
View Progress on Device?	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>
Market Leader?	<u>Yes</u>	No	No	No
Employer Dashboard?	<u>Yes</u>	<u>Yes</u>	<u>Yes</u>	No
HIPAA Compliant?	<u>Yes</u>	No	No	No
Employers Using Devices	BCBSNC, Target, BP, Aon, and more	Unknown	Unknown	Unknown

As demonstrated in the table above, Fitbit is the clear leader in the fitness tracker market and they have spent a lot of time developing their products and services for corporate clients. Fitbit offers the most variety of devices at many different price points and it is the only vendor that provides a HIPAA compliant platform for their tracking dashboard. In addition, City employees who already have a Fitbit will be able to join the City's Fitbit group.

For the City of Durham, it is critical to have a device in the \$50-60 range in order for the City to be able to offset enough of the cost to make the devices affordable for all City employees. This option is not available with Garmin or Apple.

Although Jawbone has devices priced similarly to the Fitbit devices, Jawbone devices do not show progress on the device, Jawbone's dashboard is not HIPAA compliant, and it is unknown how many, if any, employers use Jawbone for their employees. Since Jawbone does not have as much experience working with large companies as Fitbit, this could lead to difficulties in implementation and utilization of their employer dashboard.

Fitbit products are carried in more than 45,000 retail stores around the world, in 50 different countries, and it has sold more than 20 million devices since its founding in 2007. Fitbit's Corporate Wellness Program enables companies to lead more engaging and effective wellness programs by using their devices and employer dashboard. Fitbit is working with the following organizations and more.

- Blue Cross Blue Shield of NC (BCBSNC)
- Target
- BP
- Aon
- NBA
- Bank of America
- Canon
- GEICO
- Gonzaga University
- Harvard University
- Boston College
- Ohio State University
- Redbox

Alternatives

An alternative to contracting with Fitbit would be to not offer discounted fitness trackers to City of Durham employees. This would only allow City employees who currently have a Fitbit, or can afford to purchase a Fitbit, to participate in the Fitbit-based wellness challenges. However, this would not be fair to employees who cannot afford a fitness tracker and may need health and wellness support more than others.

Financial Impact

There is no direct impact to the General Fund. The maximum financial impact will be \$135,000.00 and will be funded from wellness dollars in the Insurance Fund. Blue Cross Blue Shield North Carolina provides the City of Durham with \$45,000 annually in wellness funds. This maximum impact includes providing a \$50.00 discount for one Fitbit device to all benefits-eligible City of Durham employees (approximately 2,500 employees) and the employer dashboard for one year for \$10,000.00. We do not expect for every employee to

purchase a discounted Fitbit, which increases the likelihood that the City's cost will be less than the proposed \$135,000.00.

SDBE Summary

This contract was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

Attachments

Fitbit Corporate Wellness
Fitbit Contract
Fitbit Storefront Set Up